

House File 124 - Introduced

HOUSE FILE 124

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A BILL FOR

1 An Act establishing a property tax exemption for a principal
2 residence owned by a totally disabled individual or certain
3 elderly individuals and including applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 427.1, Code 2013, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 39. *Disabled or elderly principal*
4 *residence.* A disabled or elderly principal residence shall be
5 exempt from taxation.

6 *a.* "*Disabled or elderly principal residence*" means a dwelling
7 owned and actually used as a home for a minimum of six months
8 during the most recent full calendar year by an individual
9 who is either completely disabled or an individual who is
10 sixty-five years of age or older and whose annual income is
11 seven thousand five hundred dollars or less. A disabled or
12 elderly principal residence shall also include so much of the
13 land surrounding the dwelling, including one or more contiguous
14 lots or tracts of land as is reasonably necessary for use of
15 the dwelling as a home not to exceed three acres, and may
16 consist of a part of a multidwelling or multipurpose building
17 and a part of the land upon which it is built. A disabled or
18 elderly principal residence does not include personal property
19 except that a manufactured or mobile home may be a disabled or
20 elderly principal residence. When a person is confined in a
21 nursing home, extended-care facility, or hospital, the person
22 shall be considered as occupying or living in the disabled or
23 elderly principal residence if the individual is the owner and
24 does not lease, rent, or otherwise receive profits from other
25 persons for the use of the residence claimed as a disabled or
26 elderly principal residence.

27 *b.* An application for this exemption shall be filed with the
28 assessor not later than February 1 of each year for which the
29 exemption is requested, on forms provided by the department of
30 revenue.

31 *c.* The application shall include all of the following, if
32 applicable:

33 (1) Proof of total disability of the claimant, if
34 applicable, on January 1 of the year in which the claim is
35 filed. Proof of total disability may be but is not limited to

1 the written certification of such total disability by any two
2 physicians licensed to practice in this state. For purposes of
3 this subsection, "*totally disabled*" means as defined in section
4 425.17.

5 (2) Proof of age, if applicable.

6 (3) Evidence of income. For purposes of this subsection,
7 "*income*" means as defined in section 425.17.

8 (4) Legal description of the real estate for which the
9 claimant is seeking an exemption.

10 (5) Any additional information required by the director and
11 necessary to support a claim.

12 Sec. 2. IMPLEMENTATION OF ACT. The provisions in section
13 25B.7, relating to the obligation of the state to reimburse
14 local jurisdictions for property tax credits and exemptions, do
15 not apply to this Act.

16 Sec. 3. APPLICABILITY. This Act applies to assessment years
17 beginning on or after January 1, 2014.

18 EXPLANATION

19 This bill establishes a property tax exemption for disabled
20 or elderly principal residences. The bill defines "disabled
21 or elderly principal residence" as a dwelling owned and
22 actually used as a home for a minimum of six months during
23 the most recent full calendar year by an individual who
24 is either completely disabled or an individual who is 65
25 years of age or older and whose annual income is \$7,500 or
26 less. The bill also provides that a disabled or elderly
27 principal residence includes so much of the land surrounding
28 the dwelling, including one or more contiguous lots or tracts
29 of land as is reasonably necessary for use of the dwelling
30 as a home not to exceed three acres, and may consist of a
31 part of a multidwelling or multipurpose building and a part
32 of the land upon which it is built. A disabled or elderly
33 principal residence does not include personal property except
34 that a manufactured or mobile home may be a disabled and
35 elderly principal residence. The bill specifies that when a

1 person is confined in a nursing home, extended-care facility,
2 or hospital, the person shall be considered as occupying or
3 living in the disabled or elderly principal residence if the
4 individual is the owner and does not lease, rent, or otherwise
5 receive profits from other persons for the use of the disabled
6 or elderly principal residence.

7 The bill requires applications for the exemption to be filed
8 with the assessor not later than February 1 of each year for
9 which the exemption is requested, on forms provided by the
10 department of revenue. The bill specifies what information is
11 required in each application for the exemption.

12 The bill provides that the provisions in Code section 25B.7,
13 relating to the obligation of the state to reimburse local
14 jurisdictions for property tax credits and exemptions, does not
15 apply to the exemption in the bill.

16 The bill applies to property tax assessment years beginning
17 on or after January 1, 2014.